

Larry E. Craig, Chairman
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No. 70

Legislative Notice

Editor, Judy Gorman Prinkey

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S. 2138 - Energy and Water Development Appropriation Bill, 1999

Calendar No. 401

Reported from the Committee on Appropriations on June 5, 1998, by a recorded vote of 27 to 0, an original bill. S. Rept. 105-206.

NOTEWORTHY

- S. 2138 provides \$21.37 billion in budget authority for fiscal year 1999, an amount which is within the subcommittee allocation. This is \$354.2 million below the budget estimate and \$109.4 million over the enacted appropriation for the current fiscal year. The Administration requested \$21.73 billion, and the House has not yet passed its bill.
- The bill provides \$11.87 billion for atomic energy defense activities including \$5.58 billion for nuclear waste cleanup.
- Water projects are funded at a level of \$4.7 billion, \$514 million above the administration's request. This partially offsets the President's request which was \$1.8 billion below the amount necessary to fully fund these projects. Neither the Senate bill nor the House bill (as reported) contains funds for new construction starts.
- Solar energy and other renewable energy programs at the Department of Energy are funded at \$345.5 million which is \$91.7 million below the Administration's request. These are funds that were proposed to advance implementation of the Kyoto Global Climate Change Accord.
- The committee report addresses shortcomings in functioning at the Nuclear Regulatory Commission, and the bill provides \$17 million less than the request for salaries and expenses (but only \$2 million less than the FY98 amount).
- No Statement of Administration Policy had been released at press time, but was anticipated later today.

HIGHLIGHTS

Department of Defense: Corps of Engineers — Civil

- **Corps of Engineers:** The Committee continues the basic mission and activities of the Corps of Engineers and appropriates \$3.8 billion (\$381 million less than FY 1998). The Committee exceeds the Administration's FY 1999 budget proposal by \$566 million. The Committee recommendation provides no funding to plan or initiate new water projects, recognizing that schedules for almost all ongoing projects are slipping because of insufficient funding. The Committee recommends appropriations including \$165.4 million for general investigations; \$1.25 billion for construction of water resource projects; \$313.2 million for Mississippi River flood control; and \$1.67 billion for operation and maintenance activities of the Corps.
- With respect to construction, the Committee notes that the Administration's budget request of \$784 million for the FY 1999 construction program, which is more than \$1 billion below the efficient rate of funding, was formulated without consideration of the Administration's own priorities, and cannot be executed without significant contract terminations. "In fact, if the President's budget were enacted, the additional financial burden on the American taxpayers would be a staggering \$400 million in increased costs and over \$3.9 billion in benefits foregone. ... The Committee has spent inordinate amounts of time restructuring a budget that is implementable and will keep the commitments to local sponsors who are also paying for these projects" [Committee Report, p. 29].

Department of the Interior

- The Committee appropriates \$882 million for FY 1999 for the Department of the Interior. This is \$52.3 million less than the Administration's budget request and \$34 million less than the FY 1998 appropriation.
- The Committee has allocated \$44.95 million for the Central Utah Project Completion Account, \$4 million more than the Administration's request; \$672.1 million for the Bureau of Reclamation's Water and Related Resources projects, \$32 million more than the Administration's request; \$65 million for California Bay-Delta Ecosystem Restoration, \$78.3 million less than the Administration's request; \$39.5 million for the California Central Valley Project Restoration Fund, \$10 million less than the budget; and \$48 million for Policy and Administrative Expenses, the same as the President's request.

Department of Energy

- **Total Funding:** The Committee provides \$16.47 billion for the Department's general administrative expenses, nuclear weapons and environmental restoration programs, nuclear research activities, and the power marketing agencies, \$575 million more than FY 1998, and \$596 million less than the President's request. Last year, the Committee joined the House in restructuring the Department's non-defense functions into "energy research," "non-defense clean-up," and "science." In this year's bill, the Committee recommends that the magnetic fusion energy program be moved from energy research to

science and renames the Office of Energy Research to the Office of Science Research. See the Committee Report's program-by-program comparisons with FY 1998 actual and the Administration's FY 1999 requests on pages 93-103.

- **Energy Supply Programs:** The Committee has renamed this account. It still includes solar and renewable energy, nuclear energy, non-defense environment, safety and health; magnetic fusion energy, research and other energy support activities. The bill provides \$699.8 million for those programs. This amount is \$207 million less than FY 1998 and \$429.2 million less than the Administration's request. The Committee recommends \$345.5 million for solar and renewable energy — \$787,000 under the current year but \$91.7 million below the budget request; \$280.7 million for nuclear energy — \$37.6 million above the FY 1998 amount but \$45.1 million below the President's request.
- **Non-Defense Environmental Management:** The Committee provides \$456.7 million for these programs, which is \$40.4 million lower than the FY 1998 amount and \$5.3 million below the budget request.
- **Uranium Enrichment Decontamination and Decommissioning Fund:** The Committee recommends \$200 million for FY 1999 — \$20 million less than FY 1998 and \$77 million less than the budget request.
- **Nuclear Waste Fund:** The Committee recommends \$190 million for FY 1999 — \$30 million more than FY 1998 and the same as the budget request.
- **Science:** The Committee recommends \$2.67 billion for FY 1999 — \$433.9 million more than FY 1998 and \$187.1 million more than the Administration's budget request. The Committee has completed its consolidation of the Department's science accounts by moving fusion energy sciences from the "Energy Supply" account to the "Science" account.
- **High Energy Physics:** The Committee recommends \$691 million — the same as the Administration's request and \$11 million more than FY 1998.
- **Nuclear Physics:** The Committee recommends \$332.6 million — the same as the budget request and \$11.7 million more than FY 1998.
- **Biological and Environmental Research:** The Committee provides \$407.6 million for FY 1999 — \$890,000 more than FY 1998 and \$15 million more than the budget request.
- **Basic Energy Sciences:** The Committee recommends \$836.1 million for FY 1999 — the same as the budget request and \$167.9 million more than FY 1998.
- **Nuclear Weapons Activities:** The Committee recommends \$4.45 billion for nuclear weapons activities — \$299 million more than FY 1998 but \$54.3 million below the budget request. This includes \$2.16 billion for the weapons Stockpile Stewardship program and \$2.08 billion for the weapons Stockpile Management activities.
- **Defense Environmental Restoration and Waste Management:** The Committee recommends \$4.29 billion for FY 1999 — \$33 million more than the budget request and \$86 million less than FY 1998. The program is responsible for identifying and reducing

health and safety risks, and managing waste at sites where the Department carried out nuclear energy or weapons research and production activities. The program is organized into two program accounts — a site/project completion account (\$1.05 billion) and post-2006 completion account (\$2.73 billion) to reflect an emphasis on project completion and site closures. Activities have been organized into projects, which have more defined scopes, schedules, and costs that support a defined end state at each site.

- **Defense Environmental Management Privatization:** The program contains \$241.9 million for privatization activities at various locations. This is \$275 million less than the administration's budget request. The Committee recommends that funds be allocated as follows: \$113.5 million for the tank waste remediation system [TWRS] project, phase I; \$20 million for the spent nuclear fuel dry storage project; \$87.3 million for the advanced mixed waste treatment project; \$19.6 million for remote handled transuranic waste transportation (Carlsbad); and, \$33.5 million for environmental/waste management disposal at Oak Ridge.
- **Power Marketing Administrations:** The Committee recommends \$255.9 million for the Department's power marketing administrations — \$5 million more than the budget request and \$15 million more than FY 1998.
- **Federal Energy Regulatory Commission:** The Committee appropriates \$168.9 million — the same as the budget request and \$6.8 million more than FY 1998.
- **Nuclear Waste Disposal Fund:** The Committee appropriates \$190 million for the fund — the same as the Administration's request and \$30 million more than FY 1998.

Independent Agencies

- **Appalachian Regional Commission:** The Committee recommends \$67 million for FY 1999 — the same as the budget request but \$103 million less than in FY 1998.
- **Nuclear Regulatory Commission:** The Committee recommends a gross appropriation of \$466 million for FY 1999 — \$17.3 million less than the budget request and \$2 million less than the FY 1998 appropriation. The net appropriation is \$50 million with revenues from licenses and fees listed at \$416 million. Last year, the Committee encouraged the NRC to continue to give special attention to replacing unnecessary prescriptive requirements and guidance with performance-based requirements and guidance. In its report, the Committee notes that NRC has done little to respond to the six major reviews to which it has been subjected since 1979 and suggests that a major review should be undertaken to improve the efficiency of the NRC and the manner in which it oversees public health and safety.
- **Tennessee Valley Authority:** The Committee recommends \$70 million for FY 1999 — \$6.8 million less than the budget request and level with the amount appropriated for FY 1998. Although the conference on the Energy and Water Development Act for 1998 proposed that non-power programs would be funded from other sources beginning in fiscal year 1999 as the Administration requested, several issues including equity remain unresolved. As a result, the bill provides the same amount as the current year.

Government Performance and Results Act

The Government Performance and Results Act is a law passed by Congress in 1993 that radically transforms the ways agencies plan and budget their activities. Under the law, agencies are required to consult with Congress and then submit to Congress, by September 30, agency strategic plans. These strategic plans are intended to reflect a cultural change in how the agencies operate by focusing on results and outcomes rather than the processes or activities of an agency. The Appropriations Committee, after consultation with various agencies, concludes:

"The Department of Energy's performance plan is improved over the previous years. Unfortunately, there is considerable inconsistency among the quality of information provided by program offices. Energy research accounts are prone to subjective and vague goals such as: increasing activities to remove barriers to U.S. companies in energy efficiency, renewables, oil and gas recovery and clean coal technology markets; or reducing the country's vulnerability to imported oil. Those goals provide no basis for the evaluation of performance and, as a result, in no way assist in the purposes of the Government Performance and Results Act."

The Committee commended the NRC on its performance plan but noted that having over 110 output measures for seven strategic goals "...risks creating an excess of data that will obscure rather than clarify performance issues." The Committee concurs with a General Accounting Office recommendation that NRC rank its performance goals.

ADMINISTRATION POSITION

At press time there was no official administration position.

COST

The Committee's report, prepared in consultation with CBO, contains an estimate that the bill would result in outlays of \$13.6 billion in FY 1999, \$6.5 billion in FY 2000, \$1.18 billion in FY 2002, \$83 million in FY 2003, and \$132 million in FY 2004 and future years.

POSSIBLE AMENDMENTS

Jeffords and others: To increase funding for solar energy.
Other amendments are anticipated, but were not known at press time.

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